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No. 10-491

In the Supreme Court of the United States

L-3 COMMUNICATIONS CORP. AND LOCKHEED MARTIN CORP.,

Petitioners,

v.

HONEYWELL INTERNATIONAL INC. AND HONEYWELL INTELLECTUAL PROPERTIES INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR HONEYWELL IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether the Federal Circuit erred in holding that the patent claim at issue was not proven obvious when petitioners submitted no evidence that a key element of the claim, when construed in a manner that petitioners have not challenged, was disclosed in the prior art or would have been obvious to one of ordinary skill in the art at the time of the invention.

2. Whether petitioners may challenge the burden of proof on their obviousness defense, when they waived any challenge to the burden of proof in the Federal Circuit and their challenge would fail under a preponderance-of-the-evidence standard in any event given that they have pointed to no evidence that could support the obviousness of a critical element.

RULE 29.6 STATEMENT

Respondent Honeywell International Inc. is a publicly traded company with no parent companies and is the ultimate parent of Respondent Honeywell Intellectual Properties Inc. (now BRH LLC), which transferred its interest in the patent-in-suit to Honeywell International Inc. as of December 31, 2007. State Street Corporation is a publicly traded company that owns more than 10% of the stock of Honeywell International Inc.

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INTRODUCTION

The Federal Circuit construed the patent claim at issue to require a display that emits "perceptible red light" and then concluded that petitioners failed to show that the claimed invention would have been obvious to one of skill in the art because they presented "no evidence" that the claim was obvious when so construed. Pet. App. 13, 14. After disposing of petitioners' various other arguments—which petitioners forgo in this Court—the Federal Circuit reversed the judgment of invalidity and remanded the case for a damages determination. Pet. App. 26. That fact-bound decision is consistent with well-settled principles of law and does not conflict with any decision of this Court. As the government—the principal defendant here—acknowledges, the obviousness issue does not present any question of "general" significance and does not warrant further review. Brief for the United States ("USBr.") at 7.

Contrary to the essential premise of petitioners' first question presented, the Federal Circuit did not apply, much less announce, a bright-line rule that every element of a patent claim must be disclosed in the prior art for the claim to be considered obvious. *See* USBr. 7 ("[T]he court of appeals does not appear to have announced a general rule governing obviousness challenges ...."). Instead, it made the case-specific determination that, under the claim as properly construed, there was no evidence that the claimed invention would have been obvious. As the court of appeals noted, the decision "turn[ed] upon whether claim 2 requires perceptible red light." Pet. App. 13. In this Court, petitioners do not challenge the Federal Circuit's construction of the claim and they fail to

account for the complete absence of evidence to support obviousness of the claim as properly construed.

The petition's second question—concerning the burden of proof—was neither raised in the court of appeals nor decided by that court. It therefore is not properly before this Court. Although petitioners argued to the trial court that the clear-and-convincing-evidence standard should not apply to their obviousness defense, they failed to preserve that argument on appeal. Having abandoned the argument below, they cannot resurrect it in this Court. Moreover, it would make no difference in this case whether a clear-and-convincing-evidence or a preponderance-of-the-evidence standard applies because, under the unchallenged claim construction, there was a complete failure of evidence on petitioners' obviousness challenge. Accordingly, this case is not an appropriate vehicle for consideration of the burden of proof in establishing invalidity, and there is no reason to hold this case pending the Court's decision in *Microsoft Corp. v. i4i Ltd. P'ship*, No. 10-290, 2010 WL 3392402 (Nov. 29, 2010) ("*Microsoft*, No. 10-290").

In short, far from an "unusually good vehicle" (Pet. 24) in which to reach the questions framed by petitioners, the case that was actually litigated and decided below presents no occasion for the Court to delve into those issues. The petition should be denied.

STATEMENT

A. The Patented Invention, The Prior Art, And The Differences Between The Two

Petitioners disregard a key aspect of the patented invention, namely a narrowband of the red color band, *i.e.*, light from a cockpit display that is within the

wavelength range defined as "red" and that is *perceptible* to the naked eye of a pilot or crewmember. The requirement for perceptible red light is fundamental to the invention, and it was fundamental to the Federal Circuit's decision—as the court stated, "the obviousness dispute turn[ed] upon whether claim 2 requires perceptible red light." Pet. App. 13.

The patent at issue, U.S. Patent No. 6,467,914, referred to as the '914 patent, is entitled "Night Vision Goggles Compatible With Full Color Display." Pet. App. 3; C.A. App. 349.[1] When the patent application was filed in October 1985, the U.S. military was intensely interested in two advancements in aircraft cockpit technology: night vision goggles (NVGs) and full color displays. NVGs could be used by pilots to view the terrain outside the cockpit. Full color displays, such as cathode ray tube (CRT) displays, could be used in place of conventional round-dial flight instruments to display a variety of information on a full color screen. But these two technologies interfered with one another—red light from full color displays overwhelmed the NVGs. Pet. App. 3; USBr. 3.

The patented invention solved this red-light-incompatibility problem and provided, for the first time, a system that enabled the simultaneous effective use of both full color displays and NVGs in military aircraft cockpits. Using the patented system, pilots were newly able to see a full color display, including perceptible red light, and at the same time use NVGs to look outside the cockpit without interference from red light emitted by the display. Pet. App. 7.

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[1] "C.A. App." refers to the Federal Circuit Joint Appendix.

Night vision goggles operate by amplifying available light, such as starlight or moonlight reflected off the terrain. NVGs are especially sensitive to light having relatively long wavelengths, *i.e.*, red and infrared light. USBr. 3. In the early 1980s, military pilots began using NVGs for night flight. The aircraft cockpit environment, however, introduced a serious problem: longer wavelength light from cockpit lighting and displays saturated the NVG sensors, causing the NVGs to shut down or reduce their sensitivity to more distant and less intense light from outside the cockpit. Red warning lights, for example, overwhelmed the NVGs, leading to disruption of vision through the NVGs. This was problematic because pilots needed to use NVGs in order to see effectively outside the cockpit, but also needed to be able to see the displays and warning lights inside the cockpit, by looking under the goggles with the unaided eye. Pet. App. 3-4.

The conventional solution to the problem of red-light interference with NVGs was to turn off, filter out, or dim the red and infrared light from cockpit lighting and displays. Pet. App. 4. Selective filtration of light according to wavelength needed to be highly efficient and generally prevented the use of full color displays because the red end of the visible spectrum overlaps with wavelengths/frequencies to which the NVGs are sensitive, and even small amounts of light within the active frequency range of the NVGs will overwhelm the NVGs. *Id.* Further, while dimming might permit the NVGs to function, the light needed to be dimmed to such a degree that it was no longer visible to a crewman not wearing NVGs or looking under the NVGs because NVGs are much more sensitive to red light than the naked eye. *Id.* Thus, neither filtering

nor dimming was an acceptable solution because neither permitted red warning lights and full color displays to be visible when NVGs are being used in the cockpit. USBr. 3-4.

Consistent with the conventional wisdom, the prior art references relied upon by petitioners—Boehm and Verney—taught that red light should not be used in the cockpit with NVGs. Boehm[2] states that "'[t]he main idea is to use only special *green* and *blue* illumination in the cockpit.'" Pet. App. 15 (quoting C.A. App. 605298). Similarly, Verney[3] states: "'a new infrared free blue-green light has emerged as the basic type of light to be used in NVG applications.'" Pet. App. 16 (quoting C.A. App. 623393).

The state of the art in 1985 is reflected in a military specification issued in January 1986 relating to NVG compatible interior aircraft lighting. Pet. App. 4-5. The specification—MIL-L-85762—was the culmination of years of investigation by a committee of government engineers. After consulting with experts from both government and private industry, the committee adopted a standard that effectively prohibited the use of red light and full color displays in NVG compatible aircraft cockpits. *Id.*

The committee adopted the "no red" NVG compatibility standard with full knowledge of the importance of red light in military cockpits,

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[2] H.D.V. Boehm, Tenth European Rotorcraft Forum, Paper Nr. 40, *The Night Vision Goggle Compatible Helicopter Cockpit* 1-26 (Aug. 28-31, 1984); C.A. App. 605285-311.

[3] Jay F. Verney, American Helicopter Society, 41st Annual Forum Proceedings, *Aircraft Lighting Systems* 111-12 (May 15-17, 1985); C.A. App. 623393-404.

particularly for red warning lights. The government's expert witness at trial, Dr. Harry Lee Task, had himself urged the committee to retain red light in the standard "if at all possible," conceding at trial that "[i]t was my opinion that if at all possible the MIL spec which was in consideration should be such that it would retain red and yellow in the cockpit." C.A. App. 501730; *see also* Pet. App. at 5. Military jet aircrews had also expressed a strong opinion that "we needed to keep red." Pet. App. 171 (quoting testimony of government witness Mr. Reetz). Colonel William S. Lawrence, Honeywell's expert witness, explained why: "red has always been perceived as the color that denotes danger and we find, as pilots and test pilots, red to be extraordinarily valuable in that role. The immediate perception of danger is crucial to survival and we want red in the cockpit." Pet. App. 5.

Despite years spent studying the issue and developing a standard, and despite the fact that red light displays were believed to be "extraordinarily valuable," *id.*, in aircraft cockpits, the government's committee of experts nevertheless adopted an NVG compatibility specification in 1986 that eliminated red warning lights and did not permit full color displays to be used in the cockpit with NVGs, *id.* It was not apparent even to these highly skilled engineers that full color displays could be made compatible with NVGs *without* removing red light. And the military did not revise its specification to permit red light in NVG compatible cockpits until after Honeywell submitted its patent application and that application was reviewed, and recommended for placement under a government secrecy order, by a member of the

military specification committee and its eventual chairman. Pet. App. 5-6.

Honeywell's patented invention was a significant and innovative departure from the conventional wisdom in 1985, providing for the first time a way to make a full color display that could display red and yet be compatible with NVGs. Pet. App. 51. Whereas the conventional NVG compatibility solution was to remove red light from the cockpit, the '914 patented invention achieved the conflicting goals of full color and NVG compatibility by providing a display that emits just a narrowband of red wavelengths and blocking just that narrowband at the NVG. Pet. App. 6-7.

Honeywell's inventor, Richard Cohen, taught that a narrowband of red wavelengths could be produced by a combination of a display light source, *e.g.*, the light emitted by a phosphor coating in a CRT, and a filter that passes just a narrowband of wavelengths emitted by the CRT phosphor. C.A. App. 354 (4:49-57); C.A. App. 355 (5:1-12). That narrowband of passed red light would provide sufficient red light to be visible on the display, therefore providing a full color image that could be seen by the pilot and crew with the naked eye. C.A. App. 351-52 (Figs. 2, 3); C.A. App. 355 (4:40-48). Only that narrowband of red wavelengths then needed to be filtered out at the NVG, permitting it to operate at near maximum efficiency, since all other red and infrared wavelengths, *e.g.*, from reflected starlight and moonlight, could enter and be amplified by the NVG. C.A. App. 355 (5:13-20); USBr. 4.

The government's own expert at trial admitted that Cohen's idea of using "a narrow band of frequencies" to "get rid of the red problems" was "probably a unique idea at the time." C.A. App. 501605-06.

B. The Court Of Federal Claims Proceedings

Honeywell brought suit against the government in the Court of Federal Claims (CFC) pursuant to 28 U.S.C. § 1498, alleging that display systems in certain military aircraft infringe the '914 patent. The case proceeded in several different phases. Following a hearing, the court construed the disputed claim terms. *Honeywell Int'l, Inc. v. United States*, 66 Fed. Cl. 400 (2005) ("*Claim Construction Order*"). Following a trial on the issue of infringement with respect to three of the accused display systems, the court found that the three systems infringed claim 2 of the '914 patent, both literally and under the doctrine of equivalents. *Honeywell Int'l, Inc. v. United States*, 70 Fed. Cl. 424 (2006) ("*Infringement Order*"). The court then held trials on Honeywell's claim under the Invention Secrecy Act, on the infringement defenses raised by petitioners and the government (including invalidity), and on damages. Following these trials, the CFC made several rulings. Relevant to the current petition, the CFC concluded that claim 2 of the '914 patent is invalid for obviousness under 35 U.S.C. § 103(a). *Honeywell Int'l, Inc. v. United States*, 81 Fed. Cl. 514, 538-72 (2008) ("*Invalidity/Defenses Order*").

In these proceedings, the meaning of the claim term "narrowband of the red color band" became critical. At the claim construction stage, the government argued that "red color band" should be defined by a specific range of wavelengths. C.A. App. 124-25. The CFC agreed and defined "red color band" as "a range of color from 620 nm to 780 nm," C.A. App. 155, noting that the term would be "psychological and subjective" without these wavelength parameters. *Claim Construction Order*, 66 Fed. Cl. at 470-71.

At the infringement stage, the government and petitioner Lockheed[4] contended that the amount of light emitted by the accused displays in the 620-780 nm wavelength range was not enough to satisfy the claim. The government argued that the "narrowband of the red color band" requires "sufficient light such that the result is visible and perceptible by the observer." C.A. App. 615262 (¶15). Lockheed elaborated on the government's perceptibility argument, making a careful distinction between whether the light is perceptible as red (versus, say, pinkish-orange)—a subjective test already rejected by the CFC at the claim construction stage—and whether the amount of light in the defined wavelength range of 620-780 nm is sufficient to be perceived, which is required. C.A. App. 201509. The CFC, in finding infringement (a finding not challenged in the petition), specifically adopted the defendants' understanding, stating that the claim requires that the display "emit light within the 'red color band,' *i.e.*, 620 nm to 780 nm, that is perceptible," but does not require that the "light emitted be perceived as red." *Infringement Order*, 70 Fed. Cl. at 464; C.A. App. 214; Pet. App. 12-13.[5]

At the defenses stage, the government and L-3 took a shotgun approach, raising nearly every possible statutory ground for invalidity, as well as inequitable

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[4] Lockheed Martin Corp. ("Lockheed") intervened as a partial indemnitor of the government, and L-3 Communications Corp. ("L-3") later intervened as an indemnitor of Lockheed. Pet. App. 8 n.1.

[5] The CFC made these statements regarding claim 1 of the '914 patent, but later explained that the same interpretation applies to claim 2. Pet. App. 13.

conduct, "first sale" doctrine, and prosecution laches. Pet. App. 45-49, 77. As to obviousness, the government's expert relied upon 25 different prior art references. Pet. App. 57. He divided them into two categories—references that disclosed complementary filtering and references that disclosed color displays—and opined that it would have been obvious to combine the two concepts. C.A. App. 623127-29 (¶¶25-31); C.A. App. 623208-13 (¶¶205-213). He further opined that the requirement for perceptible light within the red color band made the claim indefinite, C.A. App. 623123 (¶16); C.A. App. 623152 (¶77), but he did not address whether the prior art disclosed a perceptible narrowband of red light or whether it would have been obvious to have a display that emits perceptible red light in the cockpit with NVGs.

In their post-trial briefs, the government and petitioner L-3 argued that claim 2 was obvious in view of various combinations of prior art references, which they contended disclosed all elements of the claim. L-3 Post-trial Br., Docket No. 293 (Fed. Cl. Aug. 24, 2007) ("L3 8/24/2007 Br.") at 12-19, 54; US Post-trial Br., Docket No. 292 (Fed. Cl. Aug. 24, 2007) ("US 8/24/2007 Br.") at 26-28, 32-34; L-3 Reply Br. Docket No. 301 (Fed. Cl. Nov. 9, 2007) ("L3 11/9/2007 Br.") at 30-32; US Reply Br., Docket No. 302 (Fed. Cl. Nov. 10, 2007) at 10. But that argument, like the expert testimony, ignored the claim understanding defendants had pressed during the infringement phase: they now argued that the amount of light in the red color band (620-780 nm) is "irrelevant." US 8/24/2007 Br. 30; *see also* L3 11/9/2007 Br. 34-35. While the government argued that "it would have been obvious to try ... other filters ... with the goal of locating a filter that passed

sufficient red light," US 8/24/2007 Br. 30, and L-3 argued that skilled artisans knew "how to turn the power up on a red emitter," L3 11/9/2007 Br. 38, neither defendant pointed to any evidence in the record showing the obviousness of passing a perceptible narrowband of red light in the context of an NVG compatible display.

The CFC accepted the obviousness defense. Pet. App. 103-83. However, notwithstanding its prior claim construction, the CFC made no findings regarding the obviousness of employing a *perceptible* narrow band of red passed by the display and blocked by the goggles.

C. The Federal Circuit Proceedings

Honeywell appealed, seeking reversal of the judgment of invalidity for obviousness.[6] Honeywell pointed to the unusually compelling objective evidence of nonobviousness here, based on the military's removal of red light from cockpits before the patent taught how to avoid that safety-compromising NVG compatibility solution. Honeywell further argued that the CFC's finding that element (a)(3) was disclosed in Boehm and Verney was clearly erroneous because it ignored the requirement for perceptible light in the red color band, which the CFC had recognized during the infringement phase. Pet. App. 12.

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[6] Honeywell also challenged the CFC's determinations relating to adequacy of the written description, standing under the Invention Secrecy Act, and the government's defense under the first sale doctrine. Pet. App. 18-19, 22-24, 24-25. The Federal Circuit reversed those rulings. Pet. App. 25-26. Petitioners, however, have not challenged those aspects of the Federal Circuit's decision before this Court and they therefore are not at issue.

The Federal Circuit agreed with Honeywell, concluding that "the obviousness dispute turns upon whether claim 2 requires perceptible red light." Pet. App. 13. The Federal Circuit determined that "element (a)(3) requires the passing of perceptible red light—i.e., red light which is visible to the human eye." Pet. App. 14. As the court explained, "there would be no point, in the context of this invention, to pass a narrowband of red light that cannot be seen." *Id.*

The Federal Circuit then observed that the CFC, which had recognized the correctness of that claim interpretation at the infringement stage, had failed to apply it at the invalidity stage. Instead of requiring that the display emit light within the red color band that is perceptible, the CFC relied upon a construction that "'did not require the *perception* of the red primary of a full color display'" and requires only that "'at least one color [be] perceptible'" on the local color display. Pet. App. 14 (quoting *Invalidity/Defenses Order*, 81 Fed. Cl. at 545); Pet. App. 123. The CFC's conclusion was therefore infected by a basic legal misunderstanding as to the proper claim construction.

The Federal Circuit then examined the sum total of evidence that defendants advanced on obviousness under the proper perceptible-light claim understanding and concluded that "claim 2 would not have been obvious to one of skill in the art." Pet. App. 14. In particular, the court noted that "[t]he government provided no evidence that either Boehm or Verney discloses perceptible red light." *Id.* With respect to Boehm, the court explained that Honeywell presented unrebutted expert testimony that it does not disclose the passing of perceptible red light. Pet. App. 15. The court concluded that the CFC's "analysis was premised

on an erroneous claim construction" and therefore the CFC "clearly erred in finding that Boehm discloses element (a)(3) of claim 2." Pet. App. 16. With respect to Verney, the court considered and rejected each of the reasons given by the CFC for holding that Verney disclosed element (a)(3). Pet. App. 16-17. The court further explained that "[t]he government points to no record evidence to support a finding that Verney discloses perceptible red light." Pet. App. 18.

Judge Mayer dissented. On obviousness, he disagreed with the majority's claim construction (an issued not challenged by petitioners in this Court), and—without citing any particular evidence, or distinguishing what artisans would find obvious from what they would know how to do after learning the inventive concept—disagreed with the majority's review of the record. Pet. App. 29-30.

REASONS FOR DENYING THE PETITION

Certiorari should be denied on both of the petition's questions presented. Far from announcing any new or bright-line rule on "the meaning of this Court's decision in *KSR International Co. v. Teleflex, Inc.*," Pet. 2, the Federal Circuit simply reached the common sense and record-specific conclusion that petitioners' obviousness challenge could not succeed in this case given the fact that they presented "no evidence" that the claim would have been obvious under a claim construction that petitioners do not challenge in this Court. Pet. App. 14. That case-specific, and correct, ruling does not conflict with any decision of this Court and is grounded on defendants' fundamental evidentiary shortcoming and the unchallenged claim construction in this case. Not surprisingly, the government agrees that the Federal Circuit's ruling is "fact-bound," announces no "general

rule governing obviousness challenges," and "does not warrant the Court's review." USBr. 7.

The tacked-on challenge to the burden of proof also does not merit review. Petitioners (and the government) waived that issue in the court of appeals and therefore cannot press it here. Moreover, lowering the burden of proof here would not help them, given the total absence of proof on the pertinent issue. Petitioners' efforts to manufacture a question warranting this Court's review simply underscores the lack of any certworthy issue presented by the case that was actually litigated and decided below.

I. THE FEDERAL CIRCUIT'S OBVIOUSNESS RULING DOES NOT MERIT REVIEW

A. As The Government Recognizes, The Federal Circuit Decision In This Case Announced No "General Rule"

The petition's first question is not presented by the decision below. As the government recognizes, the Federal Circuit's decision nowhere states or applies a "general rule governing obviousness challenges," USBr. 7, but instead simply finds a lack of evidence in the record to support obviousness based on a claim construction that petitioners do not challenge.

1. The Federal Circuit's decision is grounded upon the case-specific determination "whether claim 2 requires perceptible red light," Pet. App. 13, and not on the theoretical question that petitioners attempt to raise in this Court. Element (a)(3) of claim 2 recites: "a plurality of filters at the local color display including ... (3) a third filter for filtering the red color band of the local source of light and passing a narrowband of the red color band." Pet. App. 9-10. As construed by the

CFC during the infringement phase of the case, this claim element requires that the "narrowband of the red color band," *i.e.*, that the light emitted by the display within the 620-780 nm wavelength range, be perceptible to the human eye. Pet. App. 12-14; *Claim Construction Order*, 66 Fed. Cl. at 444, 466; *Infringement Order*, 70 Fed. Cl. at 433, 464.[7]

On appeal to the Federal Circuit, Honeywell argued that the CFC's findings regarding Boehm and Verney and claim element (a)(3) were clearly erroneous because neither reference discloses the passing of perceptible light in the red color band (620-780 nm). Honeywell Br. (Dec. 19, 2008) ("HWBr.") at 34-35, 37-38; Honeywell Reply Br. (May 21, 2009) ("HWReply") at 6-8, 9-10. In response, L-3 argued that "perceptibility was not required." L-3 Br. (Apr. 3, 2009) ("Appellee L3Br.") at 40 (internal quotation marks and emphasis omitted). Similarly, notwithstanding the claim construction it advanced before the CFC, the government argued that "there is no requirement that there be a perceptible emission in

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[7] The Federal Circuit majority did not, as argued by petitioners and the government, construe claim element (a)(3) as requiring the passing of light "that is perceptible as being red," Pet. 10, or "perceptible as red to the human eye." USBr. 6. Rather, the Federal Circuit applied the construction that was advanced by the government and Lockheed before the CFC and adopted by the CFC at the infringement stage, requiring that the display emit light within the red color band (620-780 nm) that is perceptible, not light that is perceived as being red. Pet. App. 12-14; *Claim Construction Order*, 66 Fed. Cl. at 470-71; *Infringement Order*, 70 Fed. Cl. at 464; C.A. App. 214. Accordingly, the government' repeated references to "perceptible as red," USBr. 6, 7, 9, 10, do not accurately reflect the claim construction applied by the Federal Circuit (which is not challenged by petitioners).

the red color band." US Br. (Apr. 3, 2009) ("Appellee USBr.") at 29. Neither L-3 nor the government identified any record evidence supporting the CFC's findings regarding claim element (a)(3), if it were construed to require perceptible red light.[8]

The Federal Circuit rejected petitioners' contention that a perceptible emission in the red color band is not required. Pet. App. 14. The petition does not challenge that claim construction ruling. Nor does it challenge the Federal Circuit's determination that neither Boehm nor Verney discloses passing perceptible red light, as required by the claim. Pet. App. 14-18. Indeed, the premise of the petition's first question is that claim element 2(a)(3) is not disclosed in the prior art. Yet when the Federal Circuit at oral argument invited the government and L-3 to point to evidence that would support the obviousness of the claim, if it were construed to require perceptible red light, they were unable to point to anything. Oral Argument at 17:29-37, 18:25-19:48, *Honeywell Int'l, Inc. v. United States*, 609 F.3d 1292 (No. 2008-5181), *available at* http://www.cafc.uscourts.gov/oral-argument-recordings/2008-5181/all ("Oral Argument Tr.")

That is the record of evidence and argument on which the Federal Circuit concluded: "Given the failure to prove that the cited references disclose element (a)(3), the government has failed to carry its burden of proving by clear and convincing evidence that the claimed invention would have been obvious to one of skill in the art." Pet. App. 18. When viewed in context, rather than in isolation, *cf.* USBr. 10, this

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[8] Lockheed submitted no brief of its own to the Federal Circuit and simply joined the briefs submitted by L3 and the government.

conclusion does not reflect the application of a bright-line rule, but rather a case-specific determination that, under the correct claim construction, the record before the Federal Circuit did not support a judgment of obviousness. That record-grounded conclusion is unassailable and, as the government submits, "does not warrant the Court's review." USBr. 7.

2. Petitioners contend that the Federal Circuit's analysis was "truncated" and petitioners accuse the appellate court of ignoring "the CFC's alternative findings." Pet. 11, 16. Those broad-brush accusations have no concrete support in the record below. As the Federal Circuit correctly held, the CFC applied the wrong claim interpretation in determining obviousness, Pet. App. 14, and made no alternative findings of fact based on a correct interpretation of the claim. Petitioners fail to cite to any such alternative findings or to point to any evidence that, once the clearly erroneous findings regarding the Boehm and Verney references were corrected, could support the conclusion that element (a)(3), as properly construed, would have been obvious.

In discussing "the CFC's alternative findings," Pet. 11, petitioners seem to be referring to the following passage from the CFC's opinion:

> Assuming, *arguendo*, that VERNEY and the GERMAN PATENT did not disclose how to "split the red color band," the record evidences that one skilled in the art, in 1985, could have determined which filters to use. First, Mr. Tannas admitted that, after one skilled in the art, in 1985, identified the need to split the red color band, determining the appropriate filters to use also would be known. *See* DMX 4 at D000590

> (Figure 3). In fact, such filters were available on the market at that time. *See* TR 1347-49.

Pet. App. 157, selectively quoted at Pet. 9-10.

Contrary to petitioners' characterizations, the quoted passage is not an alternative finding that the patented invention was obvious despite the absence of particular disclosures in the prior art. *Cf.* Pet. 9-10. The passage does not actually address obviousness, but rather whether the claimed invention, once conceived, could have been implemented by one skilled in the art in 1985, *e.g.*, by selecting the appropriate filters. Nor does the passage provide an alternative to the CFC's erroneous finding that Boehm discloses claim element (a)(3). In fact, the passage cites to Figure 3 of Boehm—"DMX 4 at D000590 (Figure 3)"—suggesting that the finding is premised on the same misreading of Boehm set forth earlier in the CFC's opinion, rather than some other evidence that would support obviousness. Pet. App. 123, 157. Likewise, the one other CFC record citation in this passage, Tr. 1347-49 (Docket No. 263 Dec. 14, 2006), merely establishes that the patent could be put into practice using filters available off-the-shelf, providing no support for the obviousness of the inventive concept. Accordingly, nothing in the quoted passage either finds, or cites evidence that shows, the obviousness of creating a perceptible narrowband of the red color band in the context of a display to be used in the cockpit with NVGs. *See* Pet. App. 13.

Petitioners cite no other findings by the CFC or record evidence that could establish the obviousness of the patented invention, given the unchallenged claim interpretation that the filtered display must emit perceptible light within the red color band. *Cf.* Pet. 8-

10. The absence of such evidence is confirmed by the CFC's opinion, which comprehensively recites the evidence relied upon by defendants, but—aside from the erroneous findings regarding Boehm and Verney—identifies no evidence supporting the obviousness of passing a "narrowband of the red color band," when correctly construed to require perceptible light in the 620-780 nm wavelength range.

The CFC's statement that "even if prior art did not disclose all the elements, the court could still determine that the '914 patent was obvious," Pet. App. 134, is merely a statement of the law, not a finding of fact. While petitioners cite the CFC's findings relating to the use of complementary filtering to "split the red color band," Pet. 9-10, 17, these findings do not say, or rest on evidence that shows, that it would have been obvious to filter a display so that it emits perceptible light in a narrowband within the 620-780 nm range in the context of an NVG compatible cockpit. Petitioners point to nothing in the record that would support such a conclusion. In fact, petitioners argue that "a filter capable of splitting the red color band" and "the emission of perceptible red light" are two *separate elements* of the claim, implicitly conceding that the CFC's findings, which relate solely to the first of these elements, are insufficient to support obviousness. Pet. 17.[9]

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[9] Contrary to petitioners' assertion, the CFC did not find that "the military had not previously wanted to use red light in cockpits equipped with night vision technology." Pet. 9. In fact, the CFC's opinion says just the opposite, quoting the testimony of the government's witness that jet air crews wanted to "keep red" and stating that, "[b]y the mid-1980's ... there was a clear demand by the military for a full color display in aircraft." Pet. App. 162.

3. Judge Mayer's dissent provides no support for petitioners' argument that the majority applied a bright-line rule and truncated its analysis by ignoring supposed alternative findings of the CFC. The dissent said nothing about a bright-line rule, but instead criticized the majority for relying upon an incorrect claim construction. Pet. App. 29-30. Petitioners do not challenge that construction in this Court. Further, although the dissent reached a different conclusion on obviousness, it did so based on *de novo* factual findings that are unsupported by the record. Pet. App. 28, 31. And, in any event, there is no reason for this Court to grant certiorari to arbitrate this case-specific dispute.

B. The Decision Below Does Not Conflict With Any Precedent Of This Court

The Federal Circuit's ruling is consistent with this Court's decision in *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), as well as the other precedent cited by petitioners. And the record-dependent ruling reached by the Federal Circuit below makes this case a singularly ill-suited vehicle for this Court to opine on its recent decision in *KSR*, even if it wished to do so.

The Federal Circuit's decision faithfully adheres to the approach established by *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966), and reiterated in *KSR*, including a "flexible" analysis of obviousness, guided by "common sense" and without "overemphasis" on the explicit content of prior art documents. *KSR*, 550 U.S. at 415, 418, 419, 420, 421. Rather than seeking out "precise teachings directed to the specific subject matter of the challenged claim," the court relied on the expert testimony relating to Boehm and Verney in order to determine how one of ordinary skill in the art would have understood and applied the disclosure of these

prior art references. *Id.* at 418; Pet. App. 14-18 (citing testimony of witnesses Task and Tannas). The court further invited petitioners to identify evidence beyond the prior art references supporting the obviousness of a perceptible narrow band. They simply failed to do so. *See* Oral Argument Tr. at 18:34-41.

The court also took into account the evidence of "market demand" and "the inferences and creative steps that a person of ordinary skill in the art would employ." *KSR*, 550 U.S. at 419, 418. That evidence showed that, just before seeing Honeywell's newly filed patent application, the military issued a specification banning the use of red light in NVG-compatible cockpits, despite the contemporaneous protests of jet pilots and the government's expert that red is necessary for warning and should be retained "'if at all possible.'" Pet. App. 4-5 (quoting C.A. App. 501730). Ultimately, however, the Federal Circuit rested its decision on a failure of evidence, since the government and L-3 failed to present even a *prima facie* case that a core concept of the invention—a perceptible narrow band of the red color band—was known or would have been obvious to one of ordinary skill in the art. Pet. App. 18. The Federal Circuit did not apply a "[r]igid" rule, *KSR*, 550 U.S. at 421, or limit its analysis to the express disclosures of Boehm and Verney, but instead compared all the evidence relied upon by defendants with the claims as properly construed.

Nothing in the Federal Circuit's decision conflicts with *Hollister v. Benedict & Burnham Manufacturing Co.*, 113 U.S. 59 (1885). In contrast to this case, the dispute in *Hollister* did not "turn[] upon" claim construction, Pet. App. 13, and the claim element that

was missing from the prior art was a simple variation of what was affirmatively shown to be a "matter of common knowledge and practice before the date of th[e] patent." *Hollister*, 113 U.S. at 72. Here, petitioners were unable to point to any similar gap-filling evidence with respect to a perceptible narrow band of the red color band. Instead, they argued that perceptibility was not required. Appellee L3Br. 40; Appellee USBr. 29; Oral Argument Tr. at 16:12-14 ("we take issue with that interpretation"). The Federal Circuit rejected that argument, and petitioners do not challenge that ruling here.

This case also differs from *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976), where the patent was held obvious because it "simply arranges old elements with each performing the same function it had been known to perform, although perhaps producing a more striking result than in previous combinations." *Id.* at 282. Here, in contrast, the claimed invention is not simply a combination of old elements because claim element (a)(3)—passing a perceptible narrowband of the red color band—is not the same function that had been performed in the prior art. To the contrary, in the prior art, cockpit lighting and displays were filtered to remove red light, not to pass a narrowband of red light that is perceptible to the naked eye. *See* Pet. App. 4, 5; HWBr. 9-14.[10] The petition's first question in fact assumes that claim element (a)(3) is missing from the prior art.

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[10] Notably, the Brief for the United States does not address petitioners' argument that the decision below conflicts with this Court's precedent in *Hollister* and *Sakraida*.

C. Federal Circuit Case Law Both Before And After The Decision Below Refutes Petitioners' Characterization Of The Court's Ruling In This Case

As the government agrees, the Federal Circuit has not adopted any categorical rule that prior art must disclose every element of a claim in order for the claimed invention to be obvious. USBr. 11. Rather, the Federal Circuit has faithfully followed the teachings of *KSR* and has not hesitated to hold patent claims obvious as a matter of law in appropriate cases. *See, e.g., Western Union Co. v. MoneyGram Payment Sys., Inc.*, Nos. 2010-1080, 2010-1210, 2010 WL 4942124, at *7-8 (Fed. Cir. Dec. 7, 2010) (reversing judgment of nonobviousness, citing and quoting *KSR*); *Ritchie v. Vast Res., Inc.*, 563 F.3d 1334, 1337-38 (Fed. Cir.) (same), *cert. denied*, 130 S. Ct. 269 (2009); *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1324-28 (Fed. Cir. 2008) (same), *cert. denied*, 129 S. Ct. 1585 (2009). This is no less true where one or more claim elements is not found in the prior art. In a variety of procedural contexts and with differing conclusions on the ultimate question of obviousness, the Federal Circuit has consistently shown that it does not apply a bright-line rule preventing a finding of obviousness in such cases.

For example, in *Perfect Web Technologies, Inc. v. InfoUSA, Inc.*, 587 F.3d 1324 (Fed. Cir. 2009), the Federal Circuit reviewed a decision granting summary judgment of invalidity for obviousness. The parties agreed that the prior art disclosed the first three steps of the claimed method, and that the fourth and last step—requiring that the first three steps be repeated—did not appear in the prior art. *Id.* at 1327. Given these undisputed facts, application of the bright-

line rule hypothesized by petitioners would have required reversal. Instead, the court agreed with the district court's conclusion that, as a matter of law, the fourth step was a matter of common sense and affirmed. *Id.* at 1330-31 (citing *KSR*, 550 U.S. at 418).

The government cites several Federal Circuit cases decided subsequent to the present case that likewise underscore that the Federal Circuit has not adopted "any categorical rule that prior art must disclose every element of a claim in order for the claimed invention to be obvious." USBr. 11; *see* USBr. 11-12 (citing *Geo M. Martin Co. v. Alliance Mach. Sys. Int'l LLC*, 618 F.3d 1294, 1300-04 (Fed. Cir. 2010); *Dow Jones & Co. v. Ablaise Ltd.*, 606 F.3d 1338, 1349-53 (Fed. Cir. 2010); *Lucky Litter LLC v. ITC*, Nos. 2009-1470, 2009-1474, 2010 WL 3937587, at *4 (Fed. Cir. Oct. 6, 2010)).

Petitioners incorrectly assert that adoption of a bright-line rule is evident in three Federal Circuit decisions—*Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331 (Fed. Cir. 2009), *cert. denied*, 130 S. Ct. 1525 (2010); *Kinetic Concepts, Inc. v. Blue Sky Medical Group, Inc.*, 554 F.3d 1010 (Fed. Cir.), *cert. denied*, 130 S. Ct. 624 (2009); and *Abbott Laboratories v. Sandoz*, 544 F.3d 1341 (Fed. Cir. 2008). Pet. 20-23. No statement of such a rule can be found in those decisions, which instead are record-specific reviews of trial court judgments in view of the particular arguments and evidence relied upon by the parties. *See* USBr. 12-13.

In *Callaway*, the appellant (validity challenger) focused on the prior art references and did not seek to establish obviousness independent of the disclosures of the references. *See* 576 F.3d at 1339-41. Furthermore, as in this case, the failure to prove obviousness was due

in part to the claim construction, which limited the types of evidence that could establish obviousness. *See id.* at 1338, 1340. *Callaway*, like the Federal Circuit's decision in this case, rests on a failure of proof, not on the application of a bright-line rule.

Similarly, in *Kinetic Concepts*, the "Defendants' obviousness argument at trial relied heavily on the prior art references ...." 554 F.3d at 1021. The Federal Circuit concluded that substantial evidence supported the jury's implicit finding that none of the references taught or suggested a major part of the claim. *Id.* at 1020. Again, claim construction played an important role because, as properly construed, a key term used in the claim did not cover what was described in the prior art. *Id.* at 1018. As the government observes, neither *Callaway* nor *Kinetic Concepts* "purported to establish or apply a bright-line rule." USBr. 12. This Court denied certiorari in both cases. *Callaway*, 130 S. Ct. 1525 (2010); *Kinetic Concepts*, 130 S. Ct. 624 (2009).

Abbott likewise provides no support for petitioners' argument. There was no majority opinion on the issue of obviousness in *Abbott*: Section I of Judge Newman's opinion, which embraces the obviousness issue, was not joined by either of the other judges on the panel and therefore is not the law of the Federal Circuit. Furthermore, the excerpt criticized by petitioners (Pet. 22) is from the district court's opinion. Judge Newman relied on a different rationale, concluding that the patents-in-suit did not represent an "'identified, predictable solution'" to the problem addressed by the invention. *Abbott*, 544 F.3d at 1352 (quoting *KSR*, 550 U.S. at 421); *see* USBr. 13.

Ultimately, petitioners themselves acknowledge that the Federal Circuit has not adopted a categorical

rule. They concede that no bright-line rule was applied in either *Leapfrog* or *Media Techs.*,[11] even though an element of the claim was "missing" from the prior art in both cases. Pet. 23-24. Instead of "mak[ing] matters worse," Pet. 24, these cases are further proof that the Circuit has not adopted the kind of bright-line rule that petitioners have hypothesized. *See* USBr. 12-13.[12]

II. THE BURDEN OF PROOF QUESTION IS WAIVED AND IMMATERIAL ON THE RECORD IN THIS CASE

Nor is there any basis to grant review on the second question presented by petitioners on the burden of proof governing their obviousness defense. Petitioners waived that issue in the court of appeals, and given the complete failure of proof on obviousness they could not prevail under a lower standard in any

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[11] *Leapfrog Enters. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1161-62 (Fed. Cir. 2007) (affirming judgment of obviousness); *Media Techs. Licensing, LLC v. Upper Deck Co.*, 596 F.3d 1334, 1337-39 (Fed. Cir.) (same), *cert. denied*, 131 S. Ct. 305 (2010).

[12] Petitioners wrongly imply that a law review commentator has criticized the Federal Circuit for applying a rigid rule regarding missing claim elements. Pet. 23 (citing Nicholas Angelocci, *KSR v. Teleflex: Obvious Ambiguity*, 18 DePaul J. Art Tech. & Intell. Prop. L. 293, 320 (2008) ("Angelocci")). Angelocci's criticism is in fact just the opposite of petitioners'—he argues that the Federal Circuit has too readily found obviousness when all elements of the claim are in the prior art. In fact, the author disagreed with the result in *In re ICON Health & Fitness, Inc.*, 496 F.3d 1374 (Fed. Cir. 2007), a case heavily relied upon by petitioners below. *See* Appellee L3Br. 39, 40, 42, 44, 47. In any event, Angelocci's criticism is entirely one-sided, as evidenced in his contention that this Court "erred when it rejected the approach of the Federal Circuit" in *KSR*. Angellocci at 304.

event. For these reasons, there is also no reason to hold the petition pending the Court's disposition in *Microsoft*, *supra*, No. 10-290. USBr. 14.

A. Petitioners Have Waived Any Challenge To The Burden Of Proof

Petitioners have waived their argument that the clear-and-convincing-evidence standard should not govern their obviousness defense. Although petitioners raised this argument in the CFC, neither petitioners nor the government preserved it in the court of appeals, even as an argument responding to Honeywell's request for outright reversal of the obviousness judgment. Accordingly, the issue was neither pressed nor passed upon below.

In its post-trial brief on defenses in the CFC, L-3 challenged application of the "clear and convincing standard of review" to their obviousness defense. L3 8/24/2007 Br. 4 n.2; *see also id.* at 52-54; Pet. App. 71-73. But the CFC rejected that argument, Pet. App. 77, and neither petitioners nor the government challenged that ruling in the Federal Circuit. Instead, on Honeywell's appeal, L-3 argued that the evidence of obviousness was clear and convincing, without questioning that standard or even hinting that, if the court of appeals declined to affirm the invalidity rulings, the court should remand for new factfinding under a lower burden of proof. Appellee L3Br. 18. Because petitioners both abandoned and failed to challenge the burden of proof standard on appeal, the Federal Circuit did not address the issue.

Under these circumstances, the question of whether petitioners were required to prove their obviousness defense by clear and convincing evidence is not

properly before this Court. *Delta Air Lines, Inc. v. August*, 450 U.S. 346, 362 (1981) (question presented in petition for certiorari "was not raised in the Court of Appeals and is not properly before us"); *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970) ("Where issues are neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them."); *see also KSR*, 550 U.S. at 423 ("Given the significance of that finding to the District Court's judgment, it is apparent that Teleflex would have made clearer challenges to it if it intended to preserve this claim.").

Petitioners attempt to excuse their failure to raise the burden of proof issue before the Federal Circuit by arguing doing so "would have been futile." Pet. 35. But this argument is belied by petitioners' own actions in raising this issue in the CFC, as well as those of other litigants, such as Microsoft, which have raised this issue in the Federal Circuit. L-3 could not have believed that a challenge to the clear-and-convincing-evidence standard was futile, or it would not have asked the CFC to apply a different standard of proof. *See* L3 8/24/2007 Br. 52 (arguing that this Court's opinion in *KSR* brought the clear-and-convincing-evidence standard "into significant question").

Neither case cited by petitioners supports a grant of certiorari to review the Federal Circuit's clear-and-convincing-evidence standard under the circumstances of this case. *Cf.* Pet. 35. In *United States v. Williams*, 504 U.S. 36, 40-45 (1992), the question presented was expressly decided by the court of appeals, even though it was not contested by petitioner in that court. Here, in contrast, the Federal Circuit did not pass upon the propriety of the clear-and-convincing-evidence

standard for proving obviousness. And, unlike *Lebron v. National Railroad Passenger Corp.*, 513 U.S. 374 (1995), the clear-and-convincing-evidence standard is not "a new argument to support what has been [petitioner's] consistent claim." *Id.* at 379. The question is not new. Petitioners raised it in the CFC—then simply abandoned it. And it is not being raised merely as a supporting argument, but rather as a separate question and ground for overturning the judgment below, which petitioners claim is one of "the most important questions in patent law today." Pet. 2. This case is therefore analogous to *Delta Air Lines*, 450 U.S. at 362, and similar cases in which the Court concluded that an issue not pressed or passed upon in the court below was not properly before this Court.

B. The Evidentiary Standard Could Not Alter The Obviousness Conclusion In This Case In Any Event

In any event, even if it were properly presented, the burden of proof is immaterial on the record here. Petitioners do not and cannot show that the result here could be any different under a preponderance-of-the-evidence standard for proving invalidity. *Cf.* Pet. 32.

The procedural posture in this case is entirely different from *Microsoft*, No. 10-290, where the jury was instructed to apply the clear-and-convincing-evidence standard and the court of appeals affirmed a judgment of no invalidity. *i4i Ltd. P'ship v. Microsoft Corp.*, 598 F.3d 831, 848, 864 (Fed. Cir. 2010). Here, the Federal Circuit reversed a judgment of obviousness. In so doing, the court could not and did not weigh the evidence, but instead correctly concluded that there was *no* evidence supporting the trial court's judgment under a correct claim construction. In

contrast to *Microsoft*, which "turned largely on the credibility" of certain witnesses, *id.* at 846, the obviousness dispute in this case "turn[ed] upon" claim construction, Pet. App. 13. Petitioners have not challenged that claim construction in this Court. And they fail to identify any factual questions resolved by the Federal Circuit—taking into account the unchallenged claim construction adopted by the Federal Circuit—where the difference between the burdens of proof (clear and convincing evidence versus a preponderance of the evidence) could possibly have made a difference in the outcome.

Petitioners have pointed to no evidence whatever that could support obviousness of the critical element—a perceptible narrowband of light in the 620-780 nm wavelength range—in the relevant NVG context. In light of petitioners' failure to submit any evidence of perceptibility, their obviousness defense would fail even under even a preponderance standard.

Because the burden of proof issue was not pressed by petitioners in the Federal Circuit or passed upon by the Federal Circuit, and because the outcome of this case would not change even if a preponderance-of-the-evidence standard were applied, there is also no reason to hold this case pending a decision in *Microsoft*, No. 10-290, as the government suggests. USBr. 14. In making that suggestion, the government simply points to the fact that the same issue is raised in *Microsoft*, but it fails to account for the fact that—for the reasons just discussed—the outcome in this case cannot be affected by the disposition in *Microsoft*.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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